



'creating a level playing field'

POSTAL AND TELECOMMUNICATIONS REGULATORY AUTHORITY OF ZIMBABWE (POTRAZ)

BOARD CHARTER

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THE POTRAZ BOARD CHARTER

1. INTRODUCTION

The Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ), (hereinafter referred to as "The Authority") acknowledges the need for a Board Charter as provided in sections 26 to 31 of the Public Entities Corporate Governance (PECG) Act [Chapter 10:31].

This Board Charter is subject to the provisions of the PECG Act and its Regulations (S.I.168 of 2018), the Postal and Telecommunications Act [Chapter 12:05] and any other applicable law or regulation.

The Authority is committed to the adherence and implementation of sound corporate governance policies, practices and procedures.

This Board Charter replaces the Board Charter that was approved by the Board in 2014.

2. MANDATE OF THE AUTHORITY

The Authority is responsible for the licensing and regulation of postal and telecommunication services in Zimbabwe.

3. DEFINITIONS

- 3.1 The Authority** means the Postal and Telecommunications Regulatory Authority of Zimbabwe and includes the Universal Service Fund (USF).
- 3.2 Board** means the Board of Directors and Board of Trustees of POTRAZ and USF respectively.
- 3.3 Confidentiality** means respecting and protecting the privacy/secretcy of another's affairs which one has been entrusted.
- 3.4 Conflict of Interest** occurs when there is a direct or indirect conflict in fact or in appearance between the interests of an individual and that of POTRAZ.
- 3.5 Line Minister** means the Minister responsible for the administration of the Act governing the establishment of the Authority.
- 3.6 Non-Executive Board member** means a member of the Board who does not hold a salaried office in the Authority.
- 3.7 PECG Act** refers to the Public Entities Corporate Governance Act [Chapter 10:31].
- 3.8 PECG Regulations** refer to the Public Entities Corporate Governance (General) Regulations, 2018 Statutory Instrument 168 of 2018.
- 3.9 Senior Management Executives** refers to Senior Staff members who for purposes of the PECG Act, include:-
 - (a) The Director General;
 - (b) Deputy Director General;
 - (c) Heads of Departments and Divisions;
 - (d) Every employee who is of a grade immediately below the head of department;
 - (e) Compliance officer for purposes of the PECG Act;
 - (f) Every employee whose grade and additionally, or alternatively remuneration is equivalent to that of an employee specified in (a)(b)(c)(d)(e); and

- (g) Every employee who is acting in a position specified in paragraphs (a)(b)(c)(d)(e) and (f) and has done so continuously for 3 months or more.

4. PURPOSE AND OBJECTIVE OF THE BOARD CHARTER

The purpose of this Board Charter is to set out the Board's role and responsibilities. The Charter also outlines the Board membership, its meetings and procedures. The Charter seeks to enhance transparency in the governance of the Authority.

5. KEY PRINCIPLES OF A BOARD CHARTER

Section 27 of PECG Act provides that:-

The Board Charter shall give effect to the following principles:-

- 5.1** Promotion and maintenance of a high standard of professional ethics;
- 5.2** Efficient and economic use of available resources;
- 5.3** Provision of services impartially, fairly, equitably and without bias;
- 5.4** Responsiveness to the needs of the people of Zimbabwe including the prompt and sensitive processing of complaints by members of the public with respect to the entity's interaction with them;
- 5.5** Co-operation with Governmental institutions and other public entities;
- 5.6** Openness and transparency in the internal workings and procedures of the public entity concerned and in its dealings with the public;
- 5.7** Maximising human resources of the public entity concerned; and
- 5.8** Generally shall be directed at ensuring efficiency, effectiveness, responsibility, accountability and honesty in the procedures, operations and activities of the public entity concerned.

6. EXECUTIVE SUMMARY OF THE BOARD'S PRINCIPAL TASKS

- 6.1** Establish a corporate strategy for the Authority which clearly spells out the goals to be achieved;
- 6.2** Ensure that the Authority is achieving its goals;
- 6.3** Ensure that the Authority has an effective Management team;
- 6.4** Ensure that the Minister, the Office of the President and Cabinet (OPC) and other interested stakeholders are informed of the Authority's progress and financial position;
- 6.5** In concurrence with the Minister, appoint the Director General;
- 6.6** Ensure that an effective succession plan for key executives is in place;
- 6.7** Ensure effective risk management, internal control and internal audit processes are in place;
- 6.8** Ensure that all applicable policies are in place and are complied with; and
- 6.9** Ensure that a code of ethics is developed and complied with;
- 6.10** Monitor the performance of Management.

7. BOARD COMPOSITION AND TENURE

- 7.1** The Board consists of a minimum of five and a maximum of seven non-executive Board members.
- 7.2** A Board member shall be appointed as such for a four-year term which may be renewed for only one further such term.
- 7.3** The Director General shall have the right to attend Board meetings and except in the case of any discussion relating to the terms and conditions of his

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appointment, to take part in the proceedings of the Board, but he shall not have a vote on any questions before the Board.

8. OTHER BOARD APPOINTMENTS

Any Board member is not allowed to be appointed to the Boards of more than two public entity Boards.

9. BOARD INDUCTION

9.1 The Board shall ensure that appropriate and effective induction, education and training programmes are offered to new and existing Board members. On their first appointment, the Board members will undergo an induction training programme aimed at deepening their understanding of the Authority, its goals and purpose, its operations and the environment and industry in which the Authority operates.

9.2 The induction programme shall include all relevant information about the Authority's mandate and tools of trade and a formal training on corporate governance. As part of the induction programme, Board members will receive a folder of key information and documents about the Authority. The Board members will meet management and visit some of the Authority service provision sites.

10. PERFORMANCE CONTRACTS

10.1 Board members shall enter into written performance contracts with the line Minister within two months after their appointment.

10.2 Board members who fail to enter into performance contracts within two months shall cease to be Board members unless they establish that the delay was caused by the Minister or that provisions of the performance contract were grossly unreasonable and hence they were justified in refusing to sign.

10.3 Copies of the performance contract shall be sent to the Corporate Governance Unit.

11. DECLARATION OF ASSETS

11.1 Within three (3) months after appointment or re-appointment, a Board member shall submit to the Director General through the Company Secretary for onward transmission to the Office of the President and Cabinet a written declaration listing in full:-

- (a) all immovable property they own, lease or in which they have an interest;
- (b) any item of movable property exceeding US\$100,000 in value they own, lease or in which they have an interest;
- (c) any business in which they have an interest or which they play a part in running.

11.2 A further written declaration should be submitted to the OPC on the anniversary of their appointment.

11.3 A further written declaration should be submitted to the OPC within two months after ceasing to be a Board member.

11.4 The Company Secretary shall make a copy of the Declaration of Assets for the Authority's records and without delay send the original to the office of the President and Cabinet.

- 11.5** Every person who, in the course of his or her duties has custody of a Declaration of Assets or a copy shall:-
- not disclose its contents to any other person;
 - take all reasonable precautions to ensure that no unauthorised person reads it; and
 - not make use of that information contained in it for personal gain or to benefit any other person improperly.
- 11.6** A copy of the Declaration of Assets kept in the records of the Authority, may be disclosed to Board members for the purpose of ensuring that there is no conflict of interest in any decision taken or about to be taken or action done or about to be done by the person who made the declaration and for comparing the declaration with any previous declaration made by the same person.
- 11.7** The contents of the declaration of assets may be disclosed in compliance with an order of court or for the purpose of a criminal prosecution.
- 11.8** Any persons who contravenes the requirements for declaration of assets shall be guilty of an offence and liable to a fine or imprisonment or both as per the PEGG Regulations.

12. ROLE AND RESPONSIBILITIES OF THE BOARD

The role and responsibilities of the Board are to bring independent and objective views to the Authority's decisions and oversee the performance and activities of Management. In all cases the Board shall be guided by relevant legislation.

The following roles and responsibilities are pertinent:-

12.1 Compliance with the Law

The Board shall ensure that the Authority is fully aware of and complies with applicable laws, regulations, policies and codes of business practice.

12.2 Shareholder Expectations

The Board shall be cognisant of the overall macroeconomic and socio-political goals of Government and shall ensure that activities are consistent with those goals.

12.3 Strategic Thrust

12.3.1 The Board shall, in consultation with the line Minister and subject to the relevant legislation, formulate, monitor and review a corporate strategy, major plans of action, risk policy, approve annual budgets and business plans of the Authority and regularly identify key risk areas and key performance indicators, based on expectations of the Government.

12.3.2 Without derogating from its fiduciary duties, the Board shall ensure that the Government's overall objectives are achieved and are translated as the performance of the Authority.

12.4 Access to Information

All Board members shall have unrestricted access to accurate, relevant and timely information about the Authority to enable them to act on a fully informed basis, in good faith, with diligence, skill and care and in the best interests of the Authority. The Board must monitor closely the process of disclosure and communication and exercise objective judgment, independent of management on the affairs of the Authority.

12.5 Delegation

The Board shall develop a clear definition of the levels of materiality or sensitivity in order to determine the scope of delegation of authority and ensure that it reserves specific powers and authority to itself. Delegated authority must be in writing and evaluated on a regular basis.

12.6 Monitoring and Supervision

The Board shall ensure that the Authority has an effective management team. The Board shall monitor and evaluate the management team's performance on a regular basis. The Board shall appoint and dismiss, in consultation with the line Minister and subject to terms and conditions set out in the enabling legislation, the Director General on such terms and conditions as it sees fit. The terms and conditions of such appointment shall be reduced to writing in the form of a Performance Based Contract. The Board shall regularly monitor and evaluate the Authority's operations against the agreed objectives and guidelines.

12.7 Financial Performance

The Board shall ensure that the Authority's financial situation is always at its highest possible level. That is, the Authority's risk exposure is minimised; accounting and financial management are of a high quality standard and monitored in a satisfactory manner; the Authority has good internal checks and control systems that are effective, efficient and transparent.

12.8 Reporting

The Board shall ensure that the Authority, in its reporting to the shareholder, gives an accurate picture of its operations, financial position and risks faced and how they have been or will be controlled.

12.9 Code of Ethics and Conduct

12.9.1 The Board shall ensure that necessary guidelines are established on the Authority's ethical conduct in its relations with employees, customers, suppliers and society in general.

12.9.2 The conduct of the Board members shall be guided by this charter as well as the Code of Ethics.

12.9.3 Board members must:

- (i) Act in good faith in the best interests of the Authority and for a proper purpose;
- (ii) Act in the interests of the Shareholder and to avoid any potential conflict of interest;
- (iii) Exercise a reasonable degree of care and diligence;
- (iv) Not make improper use of information; and
- (v) Not make improper use of their position.

12.9.4 Board members are jointly and severally responsible for all the decisions taken by the Board.

12.10 Confidentiality

12.10.1 Board members must observe confidentiality regarding all Board matters, the Authority's current business and future plans and all confidential information received by a Board member in the course of their duties.

- 12.10.2** All information received by a Board member in the course of fulfilling Board duties must be regarded as confidential and remains the property of the Authority.
- 12.10.3** A Board member may not disclose information, or allow it to be disclosed, to any other person unless that disclosure has been authorised by the Authority or is required by law to be disclosed.
- 12.10.4** Authorisation by the Authority will be presumed where and to the extent that the Board or Committee minutes convey, either expressly or implicitly, that it is intended that disclosure should be made to third parties.

13. BOARD LEADERSHIP

13.1 Chairperson and Vice-Chairperson of the Board

- 13.1.1** The line Minister shall designate one of the members as chairperson of the Board and another member as vice-chairperson of the Board.
- 13.1.2** The vice-chairperson of the Board shall perform the chairperson's functions whenever the chairperson is for any reason unable to perform them.

13.2 Role of the Chairperson

- 13.2.1** The chairperson is the head of the Board and reports to the line Minister on policy matters. The responsibilities of the Board chairperson shall include:
- (i) Chairing the Board meetings;
 - (ii) Ensuring that the business of the Board is well organised, conducted and that the Board discharges its duties smoothly and efficiently;
 - (iii) Ensuring that executive management plays an effective management role and participates fully in the operations and governance of the Authority;
 - (iv) Ensuring that the Board monitors the business of the Authority;
 - (v) Exercising independent judgment, acting objectively and ensuring that all relevant matters are placed on the agenda and prioritized properly;
 - (vi) Working closely with the Company Secretary in ensuring that at all times all the Board members fully understand the nature and extent of their responsibilities as directors in order to ensure the effective governance of the Authority;
 - (vii) Acting as facilitator at meetings of the Board to ensure that no board members dominate discussions and that relevant opinion among board members is forthcoming. The Board chairperson will ensure that discussions result in logical and understandable outcomes;
 - (viii) Ensuring that the Board receives information that is satisfactory to form sufficient basis for the Board's decision-making process;
 - (ix) Ensuring that the Board evaluates its work on an annual basis;
 - (x) Ensuring that Board decisions have been implemented;
 - (xi) Maintaining regular dialogue with the Director General over all material matters and consulting with the remainder of the Board promptly over any matters that give him/ her cause for concern.
 - (xii) Ensuring that the performance of the Director General is appraised on an annual basis.

13.3 Separation of Responsibilities

To eliminate role conflict, the role of the chairperson and that of the Director General should not be vested in the same person.

13.4 Board Committee Chairs

The Board shall appoint from among itself members whose responsibility is to be chairpersons of the various Board Committees.

14. COMMITTEES OF THE BOARD

14.1 For the better exercise of its functions, the Board may delegate such of its powers and functions as it deems fit to well-structured Board committees, consisting of such Board members or other persons as it deems fit but without abdicating its own responsibilities. Constitution of Board Committees shall take into account the skills required by each Committee.

14.2 Where it has established a committee, the Board:-

- (a) Shall appoint at least two members of the Board to be members of the committee and shall designate one of those members to be chairperson of the committee.
- (b) The office of a member of a committee of the Board shall terminate upon his ceasing to be a member of the Board;
- (c) The Board will adopt Terms of Reference for each Committee established dealing with its composition, role and purpose, functions, meeting requirements and procedures and reporting mechanism to the Board.
- (d) The Committees subsisting at the date of approval of this Board Charter are outlined below including a summary of their purpose:-

14.2.1 Technical Committee

The Technical Committee is responsible, among other things for considering and recommending to the Board issues on:

- i. Best practice in postal and telecommunications regulations;
- ii. Applications to be licensed to offer services in terms of the Act;
- iii. Competition and tariffs;
- iv. Efficient utilisation of limited national resources of radio frequency spectrum and numbering; and
- v. Consumer protection.

14.2.2 Human Resources Management Committee

The Human Resources Management Committee is responsible, among other things, for considering and recommending to the Board issues on:

- i. Human resources strategy for the Authority
- ii. Conditions of service, remuneration policies and other reward systems.
- iii. Staff retention policies
- iv. Human resources policies.
- v. Any material changes to the organisational structure of the Authority.

14.2.3 Risk Management Committee

The Risk Management Committee is responsible, among other things, for considering and recommending to the Board the following:

- i. Risk management policy,
- ii. Risk management strategy and implementation plan
- iii. Risk identification and assessment methodologies;
- iv. Compliance and enforcement; and

- v. Legislative reviews and developments.

14.2.4 Audit Committee

The Audit Committee is responsible, among other things, for:

- i. Establishing and reviewing appropriate accounting and reporting procedures;
- ii. Reviewing the annual financial statements, and considering whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles;
- iii. Considering the effectiveness of the Authority's internal control system;
- iv. Supervising the internal audit function and its systems for internal audit and reviewing and approving the annual audit plan and all major changes to the plan; and
- v. Interfacing with external auditors and reviewing the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.

14.2.5 Finance Committee

The Finance Committee is responsible, among other things, for considering and recommending to the Board the following:-

- i. The proper management of the Authority's finances through review of the Authority's Management Accounts and other periodic financial reports;
- ii. Approval of the Authority's Budgets and any other financial statements requiring Board approval;
- iii. Availability of adequate financial resources needed for the Authority to carry out its mandate;
- iv. Approval of major capital expenditures and other major financial commitments by the Authority; and
- v. Proper policies and internal control systems to safeguard the assets of the Authority.

15. BOARD MEETING PROCEDURES

15.1 Board's Annual Work Plan

15.1.1 The Board in consultation with the Director General shall be assisted by the Company Secretary to prepare an Annual Work Plan for each year which shall set forth general items to be considered during the year, so as to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan must cover all key matters.

15.1.2 At each normal Board meeting, the Board will consider, among other issues, an operational report from the Director General, incorporating the financial position of the Authority as well as specific recommendations from Board Committees.

15.1.3 In addition, at intervals of not more than one year, the Board should, among other things:-

- (i) Review the Authority's strategy, goals and operating plans for achieving the goals;
- (ii) Approve the annual budget;
- (iii) Approve the financial statements and reports to shareholder;
- (iv) Approve the annual report;
- (v) Undertake Board and individual member performance evaluations;
- (vi) Review the Director General's performance; and

(vii) Approve the following year's Board Annual Work Plan.

15.2 Meeting Agenda

The Company Secretary has the responsibility for preparing the agendas for all Board and Committee meetings in consultation with the Board chairperson, Board Committee chairpersons and the Director General. The Company Secretary shall forward a notice of all Board meetings to each Board member and shall ensure that such notices are received by the Board members not less than 7 days prior to the date of the meeting. Such notices shall include an agenda of the business to be transacted at the meeting together with all papers to be presented at the meeting.

15.3 Meetings and procedures of the Board

15.3.1 The Board shall meet at least once every three months.

15.3.2 The dates, times, venues and agenda of the Board meetings and Committee meetings will be notified by the Company Secretary at least 7 days before the meeting or as soon as practicable in case of emergency.

15.3.3 The Board may hold special meetings of the Board in accordance with the provisions of the Act. If the urgency of the business for which the meeting is to be convened so requires, notice of not less than 48 hours may be given.

15.3.4 No business shall be discussed at a special meeting convened other than such business as may be determined by the chairperson of the Board or the business specified in the request of the meeting.

15.3.5 The chairperson of the Board or, in his absence, the vice-chairperson of the Board shall preside at all meetings of the Board

15.3.6 If the chairperson and the vice-chairperson are both absent from a meeting of the Board, the members present may elect one of their number to preside at that meeting as chairperson.

15.3.7 Management may be in attendance at Board meetings but they may not vote.

15.3.8 Three (3) members shall form a quorum at any meeting of the Board. If the minimum number of Board members is not present at a Board meeting, that meeting shall be adjourned to a date agreed to by the Board members in consultation with the chairperson and Company Secretary. Individuals in attendance at Board meetings by invitation do not form part of the quorum for Board meetings although they may participate in discussions.

15.3.9 All acts, matters or things authorised or required to be done by the Board may be decided by a majority vote at a meeting of the Board at which a quorum is present.

15.3.10 At all meetings of the Board each member present shall have one vote on each question before the Board and, in the event of an equality of votes, the Board chairperson shall have a casting vote in addition to a deliberative vote.

15.3.11 Board members must attend all scheduled meetings of the board, including meetings called on an ad hoc basis for special matters, unless prior apology, with reasons, has been submitted to the Company Secretary.

15.3.12 Board members should be fully prepared for Board meetings in order to participate fully, frankly and constructively in Board discussions and bring the benefit of their particular knowledge, skills and abilities to the Board table.

15.3.13 Board members should recognise that genuinely held differences of opinion can bring clarity and lead to better decisions.

15.3.14 Any proposal circulated among all Board members and agreed to in writing by a majority of all Board members shall have the same effect as a resolution

passed at a duly constituted meeting of the Board and shall be incorporated in the minutes of the next succeeding meeting of the Board unless a member requires that such proposal be placed before a meeting of the Board.

- 15.3.15** A board may meet without a quorum for ninety days after the number of members appointed to it cease to constitute a quorum, provided that any decisions reached by that Board shall cease to have effect after ninety days unless they have been ratified by a meeting of the Board at which a quorum is present.

15.4 The Chairperson's Role in Conducting Board Meetings

15.4.1 During Board meetings the Chairperson:-

- (i) maintains control of proceedings without dominating discussions;
- (ii) facilitates decision-making by stimulating debate, drawing on the contributions of all, encouraging constructive discussions, ensuring that genuine disagreements are aired and resolved;
- (iii) steers the Board towards a consensus and where necessary, calls for a vote;
- (iv) ensures decisions reached are properly understood and recorded;
- (v) ensures that there is no misuse of the "any other business" item on the agenda and therefore managing the introduction of unplanned issues that are not on the agenda during meetings.

15.5 Conflicts of Interest

Section 34(1) of the PECEG Act provides that:-

"Conflicts of interest on part of board members and staff of public entities

(1) If—

- (a) A member of a board of a public entity or senior staff member of a public entity—
 - (i) being a board member, knowingly acquires or holds a direct or indirect pecuniary interest in any matter that is under consideration by the board; or
 - (ii) owns any property or has a right in property or a direct or indirect pecuniary interest in a company or association of persons which results in his or her private interests coming or appearing to come into conflict with his or her functions as a board member or senior staff member of the public entity; or
 - (iii) knowingly acquires or holds a direct or indirect pecuniary interest in any matter that is or, to his or her knowledge, is likely to be the subject-matter of a contract between the public entity and any other person; or
 - (iv) knows or has reason to believe that any of his or her associates—
 - A. has acquired or holds a direct or indirect pecuniary interest in any matter that (being a board member) is under consideration by the board or that is or, to his or her knowledge, is likely to be the subject-matter of a contract between the public entity and any other person; or
 - B. owns any property or has a right in property or a direct or indirect pecuniary interest in a company or association of persons which results in his or her private interests coming or appearing to come into conflict with his or her functions as a board member or senior staff member of the public entity;

or

- (b) *for any other reason, the private interests of a board member or senior staff member of a public entity come into conflict with his or her functions as a board member or member of the entity's staff;*

the board member or senior staff member shall forthwith disclose the fact to the entity's board."

(2)

15.5.1 Conflicts of interest shall be disclosed to the Board.

15.5.2 At the commencement of each meeting, all Board members should declare whether they have any conflict of interests of a matter on the agenda.

15.5.3 A member with an interest in a matter being considered by the Board or Committee shall take no part in the consideration or discussion of, or vote on, any question before the Board or the committee, as the case may be, which relates to any contract, right, immovable property or interest. The Company Secretary shall note in the minutes any abstention from vote or deliberation as a result of conflict of interests.

15.5.4 No employee of the Authority shall be present when the Board discusses his or her Conditions of Service.

15.5.5 The board shall request all senior staff members of the entity to sign, as soon as possible after their first appointment, a document stating that they are aware of and will abide by their obligations regarding conflicts of interest.

15.5.6 The Director General shall request all members of the entity's board to sign, as soon as possible after their first appointment to the board, a document stating that they are aware of and will abide by their obligations regarding conflicts of interest.

15.5.7 Until a senior staff member or a board member who has been requested to sign the document referred to in 15.5.5 and 15.5.6 has signed the document, he or she shall not—

- (a) take part in any business of the board, in the case of a board member; or receive any remuneration or allowance in respect of his or her membership of the board, or
- (b) in the case of senior staff member, receive any remuneration or allowance in respect of his or her employment by the entity.

15.5.8 Any person who contravenes requirements on Conflicts of interest shall be guilty of an offence and liable to a fine or to imprisonment or to both a fine and imprisonment as per the PECG Regulations.

15.5.9 The Company Secretary maintains a declaration of interests register to be completed by each Board member.

15.6 Decision-making

15.6.1 A Board member must be independent in judgment and actions and must take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

15.6.2 In order to satisfy this requirement a Board member must:

- Make a reasonable effort to become and remain familiar with the affairs of the Authority;
- Attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- Commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Authority without placing undue reliance on other Directors to fulfil those duties.

15.7 Validity of decisions and acts of the Board

15.7.1 No decision or act of the Board or act done under the authority of the Board shall be invalid on the ground that-

- (a) the Board consisted of fewer than the minimum number of persons prescribed in section 6(1) of the Postal and Telecommunications Act; or
- (b) a disqualified person acted as a member of the Board at the time the decision was taken or act was done or authorised:-

Provided that the Board shall ratify any such decision or action as soon as possible after it becomes aware that the decision or action was taken in the circumstances described in paragraph (a) and (b) above.

15.8 Minutes of proceedings of the Board and committees

15.8.1 The Board shall cause minutes of all proceedings of and decisions taken at every meeting of the Board or of a committee of the Board to be entered in books kept for the purpose.

15.8.2 Circulating resolutions shall also be entered in the books where minutes are kept.

15.8.3 Any minutes referred to which purport to be signed by the chairperson of the meeting to which the minutes relate or by the Chairperson of the next following meeting of the Board or the committee concerned, as the case may be, shall be accepted for all purposes as *prima facie* evidence of the proceedings of and decisions taken at the meeting concerned.

15.8.4 The Director General shall ensure that all Board resolutions are sent to the line Minister and to the Corporate Governance Unit without delay after they have been adopted.

15.8.5 All approved and signed original minutes shall be kept by the Company Secretary.

15.8.6 The Company Secretary shall be responsible for documenting and consolidating meeting minutes and circulating them amongst the Board of Directors.

15.8.7 The Company Secretary shall be responsible for following up on the required action points, resolutions and motions passed in the Board meeting.

16. ANNUAL GENERAL MEETING

The Board shall convene an Annual General Meeting to which the following are invited to attend and discuss the Authority's operations and conduct during the previous financial year and its plans for the next financial year and any other matter of mutual interest:-

- Office of the President and Cabinet Corporate Governance Unit,
- Accountant General,
- Representatives of the line Ministry,
- The Auditor General,
- One or more representatives of the Office of the President and Cabinet, chosen by the Chief Secretary of that office;
- One or more representatives of the Ministry responsible for Finance, chosen by the Secretary of that Ministry;
- One or more representatives of the State Enterprises Restructuring Agency, chosen by the Head of that Agency;
- The Chairperson of the Parliamentary Portfolio Committee responsible for overseeing the Authority's line Ministry or his or her representative; and
- such other persons as may be prescribed

17. REMUNERATION

- 17.1** Members of the Board and of committees of the Board shall be paid from the funds of the Authority remuneration and allowances in terms of the PECG Act.
- 17.2** If any of the Board members including the Chairperson is absent from any meeting of the Board or committee, then such member shall not be paid any sitting fees for that particular meeting.
- 17.3** An appropriate sitting allowance may be paid to a Board member who attends at the venue of a meeting which is subsequently postponed or cancelled.
- 17.4** In cases where Board remuneration is published in the Government Gazette by the Minister responsible for the PECG Act, a person who was receiving higher remuneration immediately before the notice shall be entitled to be paid that higher amount for 3 months after publication of the notice.
- 17.5** No loans or credit shall be extended to Board members. Facilitation of any transaction whose net effect is substantially similar to extending a loan or credit is prohibited.

18. BOARD PERFORMANCE

18.1 Board Performance Evaluation

- 18.1.1** The Board shall evaluate itself against agreed performance indicators and targets on an annual basis in accordance with the corporate governance guidelines. Performance of the Board, Board Committees and individual Board members can be assessed internally and / or independently.
- 18.1.2** Using an agreed performance management system, the line Minister shall appraise the performance of the Board on an annual or such other more frequent basis as the line Minister and the Board may agree.
- 18.1.3** Based on the results of the performance assessment, the Board may identify necessary training and development needs for the Board, Board Committees and individual Board members.

19. BOARD RELATIONSHIPS

19.1 The Government / Minister

The Board aims to ensure that the Minister is informed of all major developments affecting the Authority's state of affairs. Information is communicated to the Minister as follows:-

19.1.1 By the Board chairperson as and when there is need to do so.

19.1.2 Through the annual report which is distributed to the Government and is also made available on the Authority's website.

19.1.3 The external auditors will be requested to attend audit board committee meetings and the annual general meeting and be available to answer questions by the Minister on the conduct of the audit and the preparation and content of the audit report.

19.2 The Board shall use its best endeavours to familiarise itself with issues of concern to the shareholder.

19.3 Meetings with the Minister

19.3.1 The Board shall meet with the line Minister at least twice a year to discuss the Authority's conduct and plans, the Board's compliance with its strategic plan and any other matters of mutual interest.

19.3.2 Minutes of every meeting with the line Minister shall be kept as if the meeting was a meeting of the Board.

19.4 The Director General

19.4.1 The Board shall appoint the Director General on a five year term renewable only once in consultation with the line Minister.

19.4.2 The Director General shall be responsible for carrying out the day to day affairs of the Authority.

19.4.3 The Director General with the help of the senior management team shall develop and recommend strategic direction of the Authority, develop and recommend business plans and budgets, develop an effective executive committee and management team, carry out the Authority activities and achieve the strategic and business plans.

19.4.4 The Director General shall have the right to attend Board meetings and to take part in the proceedings of the Board as if he were a member but shall not have a vote on any question before the Board.

19.4.5 However, the Director General shall not attend meetings of the Board in cases where the discussion relates to the terms and conditions of his appointment.

19.4.6 Members of the Board and committees shall not be involved in the day to day operations of the Authority.

19.4.7 There should be mutual support and close cooperation between the Board and the Director General.

19.5 Senior Management Team

The Senior Management team shall be responsible, among other issues, for leading the implementation of the strategic direction set by the Board and reporting on the implementation status as well as generating information for Board Committee meetings and Board meetings, and any other reports that may be required by the Board and the line Minister.

19.6 The Company Secretary

The role of the Company Secretary shall be to:-

- 19.6.1** ensure that the Board functions effectively by providing the Board and individual directors with detailed guidance as to the nature and extent of their duties and responsibilities, and, more importantly, how such duties and responsibilities shall be properly discharged in the best interests of the Authority.
- 19.6.2** circulate to Board members materials to be considered by the Board such as board papers, financial reports, relevant minutes and other materials 7 days before scheduled meetings.
- 19.6.3** co-ordinate the induction of new Board members and together with the Board chairperson, develop mechanisms for providing continuous education and training for Board members in order to improve and maintain the effectiveness of the Board.
- 19.6.4** assist the Board chairperson and the Director General in developing an Annual Board Work Plan and other strategic issues of an administrative nature that affect the Board.
- 19.6.5** provide guidance and advice to the Board and the management team on matters of ethics and good governance.
- 19.6.6** keep a register of disclosures of interest with respect to each Board member. Board members shall be required to give written notice of any changes with regards to their disclosure particulars as soon as they occur.
- 19.6.7** ensure that Board procedures are followed and that applicable rules and regulations for the conduct of the affairs of the Board are complied with.
- 19.6.8** coordinate the completion and despatch of Board and Committee agenda and briefing materials.
- 19.6.9** draw the minutes of each Board Committee and Board meeting.
- 19.6.10** follow up with management and Board members the implementation of decisions taken at Board meetings.
- 19.6.11** draw the minutes of the Annual General Meeting.
- 19.6.12** draw the minutes of meetings with the line Minister.
- 19.6.13** monitor that the Charter is duly followed.

19.7 Audit

19.7.1 Internal Audit

- 19.7.1.1** The primary role of internal audit is to assist the Board and Management to evaluate risk management and internal control processes and opportunities in order to achieve organisational goals.
- 19.7.1.2** The internal audit's functions shall include:-
 - (i) Financial and compliance audits;
 - (ii) Operational efficiency audits;
 - (iii) Special reviews and investigations;
 - (iv) Information technology audits;
 - (v) Value for money audits;
 - (vi) Systems implementation reviews;
 - (vii) Provision of independent advice on management and accounting issues;
 - (viii) Provision of relevant advice to officers relating to accounting, risk issues and other related matters.

- 19.7.1.3** The Board shall ensure that an Internal Audit Charter is in place which shall include issues covering:
- (i) Responsibility;
 - (ii) Reporting structure;
 - (iii) Accountability;
 - (iv) Independence;
 - (v) Mission and scope;
 - (vi) Authority;
 - (vii) Standards;
 - (viii) Qualifications; and
 - (ix) Experience

19.7.2 External Audit

- 19.7.2.1** The financial statements of the Authority shall be audited annually by the Auditor General or his or her nominee or any other external audit company appointed at the Annual General Meeting. The Auditor shall observe the highest level of professional ethics and his/ her independence must not be impaired.
- 19.7.2.2** The Auditor's report shall be published together with the Board's statement in the Annual Report.
- 19.7.2.3** External auditors may be invited to attend Audit Committee meetings.

19.8 Management Environment

- 19.8.1** The Board and the Director General shall create a conducive management environment for the Authority.
- 19.8.2** The management environment sets the broad principles under which the Authority operates. These principles include establishing structures to support the achievement of corporate objectives. The main activities would be:-
- (i) Implementing sound business planning and objectives setting;
 - (ii) Establishing performance measures, evaluating performance and providing feedback;
 - (iii) Providing an appropriate ethical and behavioural framework;
 - (iv) Providing for transparency of action and defining clear roles, responsibilities and accountabilities;
 - (v) Ensuring that personnel have the right skills and training to perform the job and are well placed and motivated; and having sound internal communication and sound external communication with clients.

20. DIRECTORS' LIABILITY

Without prejudice to the provisions of the law, the members of the Board of Directors shall be liable vis-à-vis the Authority and third parties for harm resulting from their acts that are contrary to the law, from their acts in excess of the limits of their powers, from any fraud or gross negligence which they commit in the performance of their duties, and also for failing to conduct themselves as a prudent person in the circumstances in question.

21. PROCEDURE FOR REVISION

- 21.1** The Board Charter may be amended at any time:-
- (a) When an existing policy or procedure is no longer relevant; or
 - (b) Due to amendments of any applicable law.

- 21.2** Any changes that are to be made in the Charter should be referred to the Board of Directors for approval.
- 21.3** The Company Secretary shall be responsible for maintaining a history file wherein all the revisions to the Charter shall be recorded.

APPROVAL OF BOARD CHARTER

This Board Charter was approved by the Board on 29 May 2019 and amendments were approved on 23 June 2020.

The Board Charter will be due for review annually.



Approved by the Board
Chairperson of the Board